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Programme budget for the biennium 2016–2017

Proposed programme budget for the biennium 2018–2019

Human resources management

United Nations common system

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2017

Twenty-second report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2018–2019

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General (A/C.5/72/3 and A/C.5/72/3/Corr.1) in accordance with rule 153 of the rules of procedure of the General Assembly on the administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for 2017. The Committee also had before it the report of the Commission for the year 2017 (A/72/30 and A/72/30/Corr.1). During its consideration of the statement, the Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 7 November 2017.

2. The statement indicates that the decisions and recommendations of the Commission would have financial implications for the programme budget of the United Nations starting with the biennium 2016–2017 and the budgets of peacekeeping operations starting with the financial period 2017/18. The decisions and recommendations of the Commission relate to three issues: (a) remuneration of the staff in the Professional and higher categories: base/floor salary scale, in respect of separation payments; (b) remuneration of staff in the General Service and other

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locally recruited categories: survey of the best prevailing conditions of employment in Vienna and adjustment of dependency allowances on the basis of the new salary scale; and (c) conditions of service in the field: danger pay (A/C.5/72/3, para. 1).

II. Remuneration in the Professional and higher categories: base/floor salary scale (separation payments)

3. According to the statement, following the adoption by the General Assembly of its resolution 70/244, in which it approved a unified salary scale, a 1 per cent increase in the base General Schedule scale of the comparator, the United States federal civil service, was implemented, with effect from 1 January 2017. In addition, changes with respect to tax rate schedules and deduction amounts were introduced for 2017 at the federal level and for the District of Columbia. The International Civil Service Commission recommends an increase of 0.97 per cent in the base/floor salary scale for staff in the Professional and higher categories with effect from 1 January 2018. While this increase would be implemented through the standard no-loss/no-gain procedure by increasing the base/floor salary scale and commensurately decreasing post adjustment multipliers, which would generally be cost neutral in terms of net remuneration, it would have implications in respect of separation payments (ibid., paras. 3–5).

4. Paragraph 6 of the statement indicates that the Commission's recommendations would entail an estimated increase in the proposed programme budget of the United Nations for the biennium 2018–2019 of $99,000. With respect to peacekeeping operations, the increases are estimated at $16,400 for the financial period from 1 July 2017 to 30 June 2018 and $32,800 for the financial period from 1 July 2018 to 30 June 2019.

III. Remuneration in the General Service and other locally recruited categories: survey of best prevailing conditions of employment in Vienna and adjustment of dependency allowances based on the new salary scale

5. The statement indicates that following its survey conducted in Vienna, with a reference date of April 2017, the International Civil Service Commission recommended a new salary scale and revised dependency allowances for the General Service category of the organizations of the common system in Vienna. The recommended salary scale for the Vienna-based organizations would be 3.3 per cent higher than the current scale. The financial implications for the United Nations are estimated at $391,000 for the programme budget for 2016–2017 and $710,400 for the proposed programme budget for 2018–2019 (ibid., paras. 7–9).

IV. Conditions of service in the field: danger pay

6. It is indicated that under the review cycle previously decided upon by the International Civil Service Commission, the level of danger pay is to be reviewed every three years, starting in 2017. The Commission had decided to request its secretariat to put forward options to address the methodology for the adjustment of danger pay for both categories of staff. For locally recruited staff, the Commission had decided to update the reference year of the applicable General Service salary scales from those in effect in 2012 to those in effect in 2016 and to apply 30 per cent to the net midpoint of those scales (ibid., paras. 10 and 11).

7. The statement indicates that the financial implications of the Commission's decision on the revised level of danger pay are estimated at $17.4 million per annum system-wide, representing an increase of approximately $3,724,900 under the proposed programme budget for 2018–2019. The financial implications for peacekeeping operations are estimated at $4,201,800 for the financial period 2017/18 and $8,403,500 for 2018/19 (A/C.5/72/3/Corr.1, para. 12).

V. Other matters

Post adjustment

8. Paragraphs 107–131 of the report of the International Civil Service Commission reflect the Commission's discussion of post adjustment issues and related decisions, without reference to the financial implications. Upon enquiry as to the impact on salaries of the 2016 cost-of-living survey, the Advisory Committee was informed that both decreases and increases in the salaries of Professional staff were indicated across different duty stations. Duty stations for which salary decreases were indicated included Geneva (4.7 per cent), South Sudan (8.5 per cent), the Russian Federation (9.4 per cent) and Azerbaijan (14.1 per cent), and those for which salary increases were indicated included Montreal (2.1 per cent), Mozambique (5.0 per cent) and the Central African Republic (7.8 per cent). The Committee was also informed that the Commission's salary-setting policy was based on a comparison of the survey-based post adjustment index, updated to the date of implementation of the results, and the pay index prevailing on that date. For instance, while the pay level was 6.3 per cent higher in Geneva than in New York, the cost of living for Geneva was only 2.5 per cent higher than for New York.

9. The Advisory Committee was informed upon enquiry that while it was difficult to assess the full financial impact of post adjustment changes, as they were dependent on unpredictable macroeconomic factors such as inflation and exchange rate fluctuations, projected post adjustment multiplier rates were provided in the context of the proposed programme budget, and the actual monthly post adjustment multiplier rates were reported in the context of the first and second performance reports.

Remuneration of international judges of the Extraordinary Chambers in the Courts of Cambodia

10. The Advisory Committee recalls that in the context of the request for a subvention to the Extraordinary Chambers in the Courts of Cambodia (A/72/341), it was informed that the amount of the net remuneration paid to the international judges of the Extraordinary Chambers was equal to the gross (rather than net) remuneration of a staff member at the D-2 level. The Committee's observations and recommendations in this regard are contained in its related report (A/72/7/Add.7, paras. 14–17).

Translation of the report of the International Civil Service Commission for 2017

11. The Advisory Committee notes that the report of the International Civil Service Commission for 2017 was not fully translated into all the official languages, with the annexes being issued only in English.

VI. Conclusion

12. The financial implications arising from the decisions and recommendations of the International Civil Service Commission are summarized in paragraph 13 of the statement (A/C.5/72/3/Corr.1). **The Advisory Committee notes the financial implications of the decisions and recommendations of the Commission.**

13. **The Advisory Committee recommends that the General Assembly take note of paragraph 14 of the statement that, should the Assembly approve the recommendations of the Commission:**

(a) **Requirements for the biennium 2016–2017 for the United Nations will be addressed, as necessary, in the context of the second performance report for the biennium 2016–2017, as appropriate, and requirements for the biennium 2018–2019 will be taken into account in the context of the revised estimates: effect of changes in rates of exchange and inflation for the period;**

(b) **Requirements for the budgets for peacekeeping operations will be addressed, as necessary, in the context of the performance reports for the financial period from 1 July 2017 to 30 June 2018 and in the context of the upcoming proposed budgets for the financial period from 1 July 2018 to 30 June 2019.**